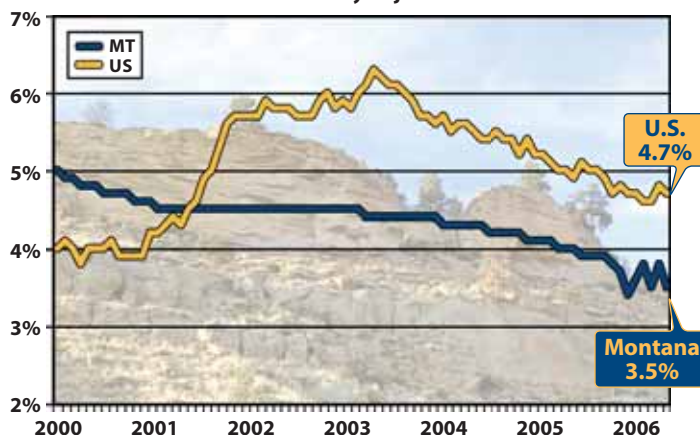


# Montana Economy at a Glance



## UNEMPLOYMENT RATE

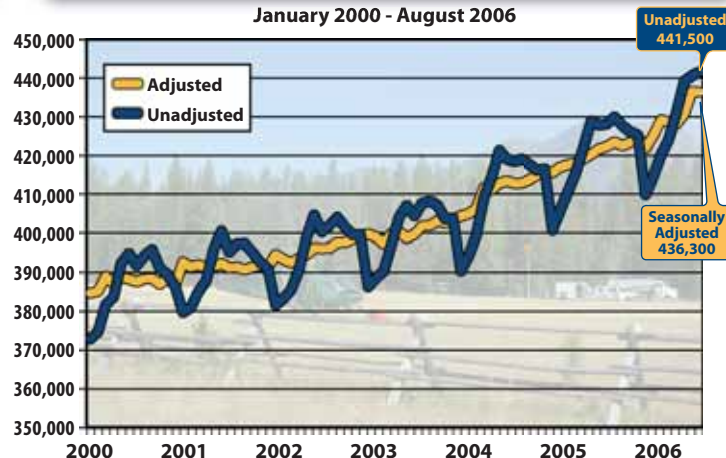
Seasonally Adjusted



Montana's seasonally adjusted unemployment rate dropped to 3.5% in August 2006 from 3.8% in July. The U.S. rate also decreased slightly, falling to 4.7% from 4.8% in July.

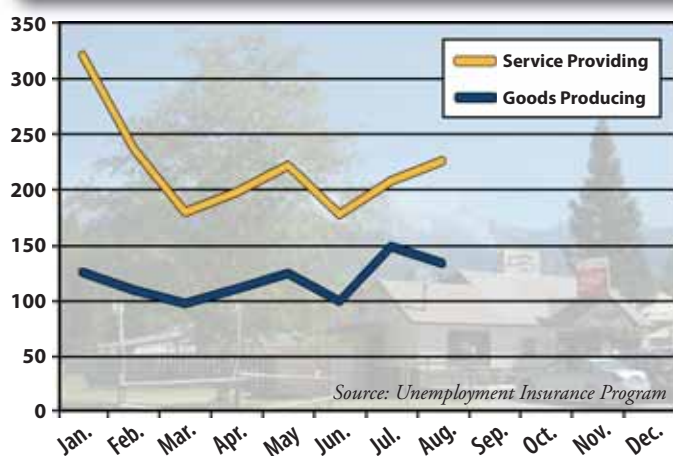
## NONFARM EMPLOYMENT

January 2000 - August 2006



Montana's seasonally adjusted nonagricultural payroll employment showed a slight decrease of 200 jobs (0.04%) over the month for August 2006. Trade, Transportation & Utilities saw the largest gain, adding 400 jobs (0.4%), while Total Government accounted for the largest loss, dropping by 1,000 jobs (-1.1%)

## NEW BUSINESS STARTS



In August, Montana saw new business starts level off with 359, compared to 356 in July (less than a 1% increase). The construction sector still leads all industries with over one third of the new businesses. Flathead County had 14% of the businesses start in their county, while just over 15% of the new businesses started in Gallatin County.

## EMPLOYMENT BY INDUSTRY

Industry Employment (in thousands)	Aug(P) 2006	July 2006	Net Change	Percent Change
Total Non-Agricultural	436.3	436.5	-0.2	0.0%
Natural Resources & Mining	8.3	8.3	0.0	0.0%
Construction	30.2	30.3	-0.1	-0.3%
Manufacturing	20.0	19.8	0.2	1.0%
Trade, Transportation, Utilities	89.8	89.4	0.4	0.4%
Information*	8.0	8.0	0.0	0.0%
Financial Activities	22.6	22.5	0.1	0.4%
Professional & Business Services	37.3	37.0	0.3	0.8%
Education & Health Services*	56.6	56.4	0.0	0.0%
Leisure & Hospitality	57.6	57.4	0.2	0.3%
Other Services*	17.2	17.1	-0.1	-0.6%
Total Government	87.0	88.0	-1.0	-1.1%

\*These series are not seasonally adjusted (P) denotes preliminary figures



## 2006 Labor Day Report

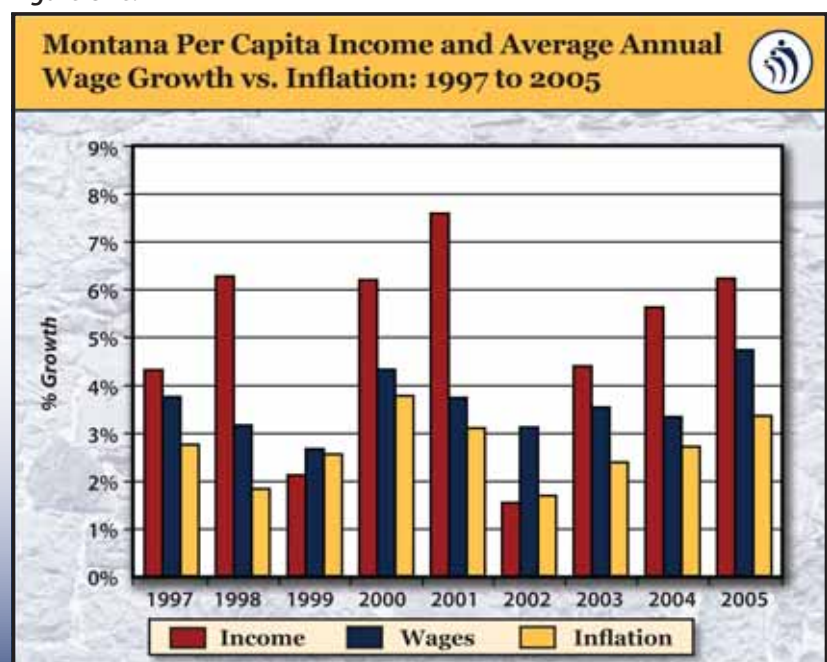
*A Summary by Tyler Turner and Brad Eldredge, Ph.D.*

Each year, the Montana Department of Labor and Industry prepares a report for the Governor on the state of the economy and on specific topics related to Montana's workforce. The 2006 Labor Day Report (LDR) included a summary of statewide employment and wage statistics, ten-year employment and industry projections, Indian reservation data, and information relating to individual workers in Montana. The following text is a synopsis of the information contained in this year's report.

The LDR included several data series that, taken together, provide an indication of Montana's economic health. This summary focuses on three indicators considered to be key in measuring economic wellbeing: payroll employment growth, unemployment rates, and real wage growth.

A healthy economy creates enough jobs to cover the growth in its labor force without causing an increase in its unemployment rate. In 2005, Montana added 9,999 payroll jobs, an increase of 2.5%. At the same time, its unemployment rate dropped from an average of 4.3% in 2004 to 4.0% in 2005. The most recent seasonally adjusted unemployment rate of 3.5% for August 2006 demonstrates that the state's labor market remains tight.

**Figure One.**




While Montana can celebrate the fact that most members of its labor force have a job, attention also needs to be paid to whether or not job growth and low unemployment rates translate to higher living standards for Montana workers. Figure One shows that both wage and personal income increased faster than inflation in 2005. In fact, wage and personal income growth have outpaced inflation every year since 2003. These results mean that the average Montanan's paycheck can purchase more goods and services than in the past, even after adjusting for increases in the cost of goods and services.

The LDR not only reviewed the labor market's past but also introduced new projections for the future. Every two years, the Research and Analysis Bureau produces ten-year industry and occupational projections. The recently completed 2004-2014 projections give job seekers, businesses, and policymakers valuable information for long-term planning. Figure Two lists the ten occupations projected to add the most jobs. Many of the occupations listed already employ a large

number of workers, so even average growth rates yield large numbers of new jobs. Only four of the ten occupations listed pay above average wages. Five of the six occupations that pay below average wages only require short-term on-the-job training, a fact that underscores the link between advanced training and high wages. Overall, it is projected that the total number of jobs in Montana will increase by about 18% over the 2004-2014 period. This equates to an average annual employment increase of about 1.6%.

Data relating to employment patterns and wage levels on the seven Indian Reservations in Montana were, for the first time, included in the LDR. Data were summarized using geocoding, a unique method that utilizes mapping software to identify businesses located on the reservations. Information presented in this year's report will serve as a benchmark for further study of reservation economies and provide a strong first step in defining workforce conditions on reservations in Montana.

Figure Two.

Occupations with the Highest Projected Growth: 2004-2014						
2004 Employment code and title	Employment Number 2004 2014		Change # %		Median Annual Earnings	
39-9011 Child Care Workers	16,249	20,912	4,663	28.7	\$16,103	Short-term on-the-job training
41-2031 Retail Salespersons	19,507	22,851	3,344	17.1	\$17,319	Short-term on-the-job training
47-2031 Carpenters	13,522	16,392	2,870	21.2	\$34,015	Long-term on-the-job training
29-1111 Registered Nurses	8,344	10,821	2,477	29.7	\$46,842	Associate Degree
41-1011 First-Line Supervisors/Managers of Retail Sales Workers	9,644	11,945	2,301	23.9	\$26,321	Work experience in a related occupation
41-2011 Cashiers	11,804	13,942	2,138	18.1	\$15,649	Short-term on-the-job training
11-1021 General and Operations Managers	11,766	13,798	2,032	17.3	\$47,097	Bachelor's Degree or higher plus work experience
53-3032 Truck Drivers, Heavy and Tractor-Trailer	10,428	12,315	1,887	18.1	\$30,806	Moderate-term on-the-job training
37-3011 Landscaping and Groundskeeping Workers	7,252	9,047	1,795	24.8	\$19,044	Short-term on-the-job training
37-2011 Janitors and Cleaners, Except Maids and Housekeeping Cleaners	9,299	10,956	1,657	17.8	\$18,622	Short-term on-the-job training



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Figure Three shows the average wage per job on each of the seven reservations and compares each to the state average wage. Five of the seven reservations had average wages below the state level, while the Fort Belknap and Rocky Boy's reservations had wages which were higher than the state average. Additional information presented in the LDR showed that government jobs paid higher average wages relative to private jobs on six of the seven reservations and that government jobs comprised a majority of total employment on six of the seven reservations.

The LDR also provided data relating to individual workers in Montana. Wages for individual workers throughout the state were analyzed to identify those who held employment with at least one consistent employer throughout 2005. Figure Four depicts the percentage of service providing, goods producing, and government workers by wage level for single job holders in Montana. The figure shows high concentrations of service workers in low and high wage classes, with goods producing and government workers concentrated in mid-range wage classes. Other information presented included data which revealed that individuals working one job averaged higher annual wages than the total annual wages for workers holding multiple jobs and an analysis of wage equality for workers by industry.

Overall, the 2006 Labor Day Report painted a positive picture of Montana's growing economy, especially as compared to the nation as a whole. We hope this year's Labor Day Report has been relevant and useful to the people of Montana. The complete report can be downloaded from our website at [www.ourfactsyourfuture.org](http://www.ourfactsyourfuture.org).

Figure Three.

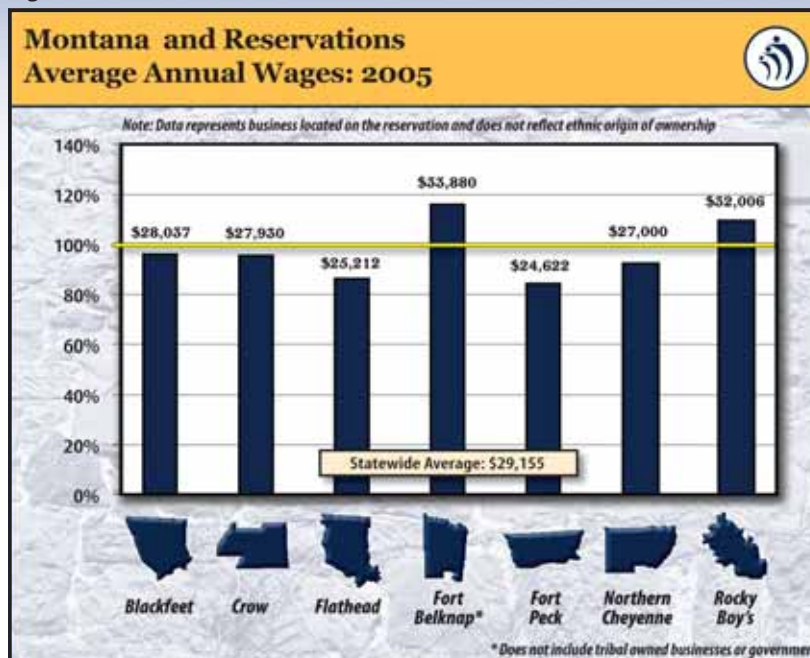
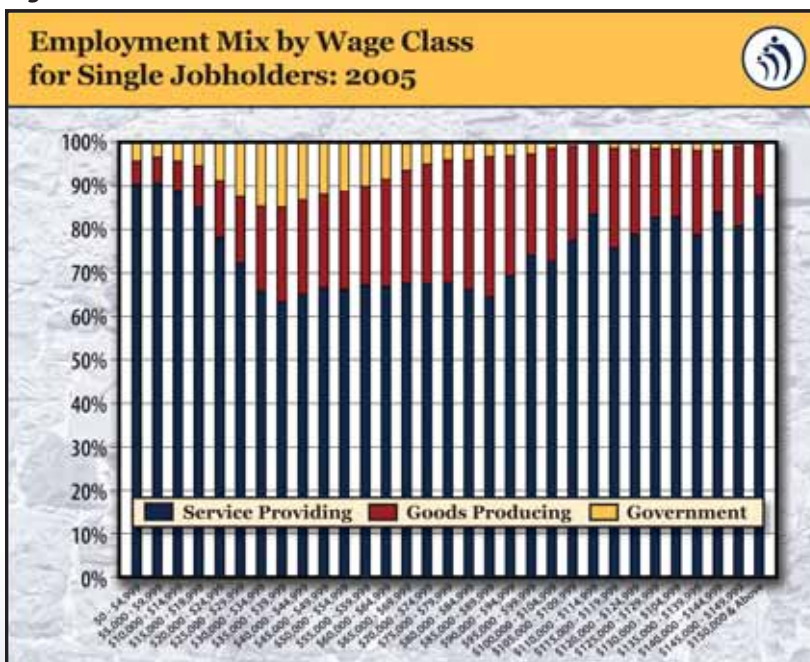


Figure Four.



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## Employment and Wages in Montana: First Quarter 2006 vs. First Quarter 2005

Montana's economy continues to show strong growth according to recent data released from the Quarterly Census of Employment and Wages (QCEW) program. Based on 1st quarter 2006 data, Montana businesses added 14,600 employees over the year, increasing employment in all industry sectors except Information. This is the largest increase in 1st quarter employment (3.7%) in a decade. Wages also showed growth in the first 3 months of 2006 with an 11.2% increase over the prior year. This equates to an additional \$308 million paid to Montana workers compared to 2005.

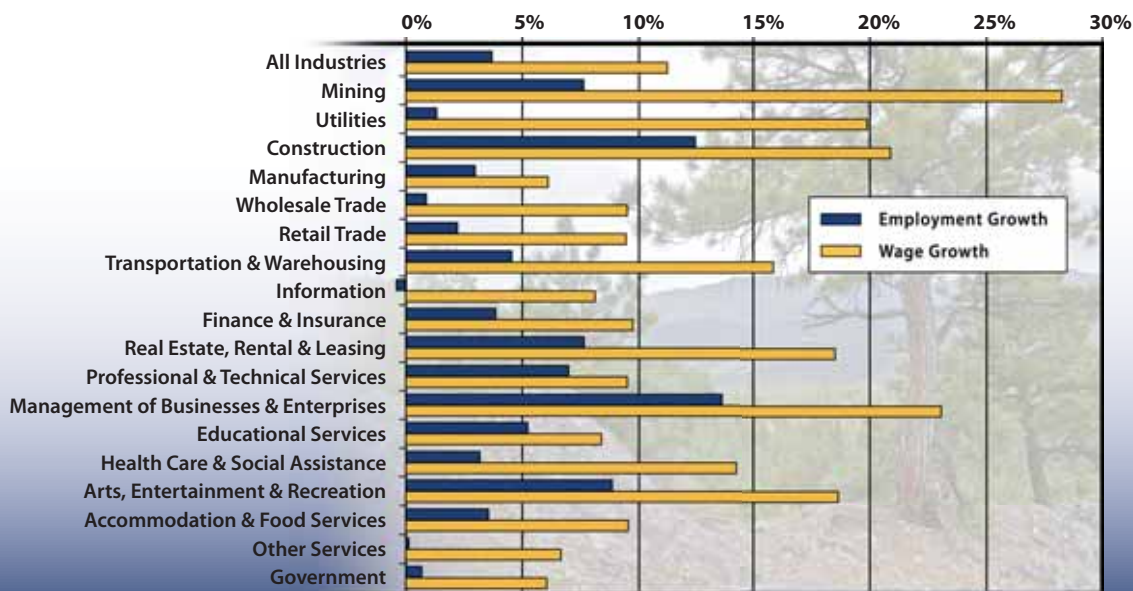
Looking at employment first, the Construction sector remained strong through the winter months with the addition of 2,800 employees compared to 2005. Specialty trade contractors (which includes plumbing & heating, painting, electrical, etc.) added 1,600 jobs. Building and Heavy Construction added 800 and 400 jobs respectively.

Specific areas where the Construction sector showed gains included Gallatin County with 5,172 workers added. This was a 21.1% increase over 2005 and led all other counties. Next was Yellowstone County with 4,098 (5.9%), Flathead County with 3,572 (18.8%), and Missoula County with 2,702 (4.1%). In terms of percentage gains, Lake County led with a 35.9% increase over the year (537 workers) followed by Park County with 20.7% (478 workers).

Other industry sectors also had large employment increases over the year. Administrative & Waste Services added nearly 2,000 jobs, Health & Social Services increased 1,600, Professional & Technical Services added 1,180 jobs, and Retail Trade gained an additional 1,175 jobs.

In the graph below, we see the wage growth in 1st quarter 2006 compared to 1st quarter 2005. Mining, Construction, Administrative & Waste Services, Arts-Entertainment-Recreation Services, Real Estate-Rental & Leasing, Transportation & Warehousing, and Health & Social Services all posted double digit percentage increases in total wages. In addition, Accommodations & Food Services, Professional & Technical Services, Finance & Insurance, Retail Trade, and Wholesale Trade sectors all saw increases in wages of about 9.5%. These large gains in wages can be attributed to both an increase in wages paid to workers and an increase in total employment.

The QCEW program data shows that Montana's economy remains strong in the 1st quarter of 2006 with employment gains that exceed the rate of inflation, and wage growth percentages in the double digits. In November, data will be available for 2nd quarter 2006, allowing for further monitoring and evaluation of these employment and wage trends.



# MONTANA UNEMPLOYMENT: August 2006

Non-Seasonally Adjusted

MONTANA AVERAGE RATE: 2.9%



Source: MONTANA ANNUAL CIVILIAN LABOR FORCE STATISTICS: Montana Department of Labor and Industry, Research and Analysis Bureau, Aug 2006. Graphic by: Census & Economic Information Center, Montana Department of Commerce, 301 S. Park Ave., Helena, MT 59620-0505. Phone: 406-241-2740, Email: [cec@mt.gov](mailto:cec@mt.gov), Web: <http://cec.mt.gov> LaborForce\_Aug2006.mxd, Aug 2006.

[www.ourfactsyourfuture.org](http://www.ourfactsyourfuture.org)

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WORKFORCE SERVICES DIVISION  
RESEARCH & ANALYSIS BUREAU



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